

Message Text

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50

ACTION TRSE-00

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 TAR-01 L-03 H-02 NSC-05

SS-15 STR-04 CEA-01 /097 W
----- 071488

R 171530Z JUN 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 9838

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 4849

PASS TREASURY DEPARTMENT FOR DEPUTY ASST. SEC.

PETER SUCHMAN

E.O. 11652: N/A

TAGS: ETRD, EFIN, BR

SUBJECT: BRAZILIAN GOVERNMENT REDUCES TAX ON SHOES BUT NOT
FOR THOSE EXPORTED

1. ON JUNE 15, 1975 PRESIDENT GEISEL SIGNED A
DECREE REDUCING, ON A PERMANENT BASIS, THE INDUSTRIAL
PRODUCTS TAX (IPI) ON SHOES TO 4 PERCENT FROM 12
PERCENT. AT THE SAME TIME, THE MINISTRY OF FINANCE
ISSUED A CIRCULAR INDICATING THAT, FOR PURPOSES OF
CALCULATING THE BENEFITS OF EXPORT INCENTIVES, THE
RATE WILL BE MAINTAINED AT 12 PERCENT FOR EXPORTERS
OF SHOES.

2. COMMENT: IN THE ABSENCE OF DETAILED DATA ON
BRAZILIAN EXPORTERS OF SHOES, THE EMBASSY IS UNCERTAIN
AS TO WHAT IMPACT THIS CHANGE WILL HAVE ON THE
CALCULATIONS OF COUNTERVAILING DUTIES. WE ASSUME
THAT THE CHANGE WILL AFFECT THE UTILIZATION OF
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IPI CREDITS WHICH ARE COUNTERAVAILABLE. EMBASSY

WOULD, THEREFORE, APPRECIATE ANY GUIDANCE WHICH
TREASURY MAY BE ABLE TO PROVIDE WITH RESPECT TO
THE HANDLING OF THIS MATTER WITH THE BRAZILIAN
GOVERNMENT, PARTICULARLY IF THE REDUCTION IN THE
IPI TAX REQUIRES AN ADJUSTEMENT IN THE COUNTER-
VAILING DUTY RATES.
CRIMMINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, TAXES, SHOES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750211-0113
From: BRASILIA
Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
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Margaret P. Grafeld
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06 JUL 2006

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Review Withdrawn Fields: n/a
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To: STATE
Type: TE
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